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COVID-19 Impact on the Sharing Economy Post-Pandemic

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Keywords

Pandemic, sharing economy, COVID-19



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JEL classification: G14

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1. INTRODUCTION

With disruptions in the global economic model, sharing economy is a new economic model, defined as a peer-to-peer (P2P) rental model, which includes activities like acquiring, sharing and providing goods and products which are generally supplied by a community-based online platform (KAUSHAL, 2018). This kind of business model largely saw growth earlier. Studies conducted by professional services firm PWC indicate the potential of sharing economy. As per surveys conducted by them in the year 2019, 72 per cent of the 1,000 consumers indicated a shift towards sharing economy in the future (Series, 2015). The unused goods were shared among the peers with temporary ownership, unlike the permanent ownership of the community-based model. This resulted in creating a larger workforce, gig economy and opening of job opportunities to more individuals. In the twenty-first century, technology is the major game changer, disrupting the traditional means of business. The amalgamation of internet services and mobile penetration created great potential for the shared economy business model (Ince, 2017). The model got expanded in businesses like ride-sharing application, lodging and homestays, and so on, resulting in the inception of start-ups like Airbnb, Ola and Uber, which are now present-day unicorns (Hamari, 2016).

But the outbreak of the COVID-19 pandemic has disrupted the global economy completely, with its unprecedented effect across the globe. The effect of this pandemic is seen across all the economic domains, both formal and informal sections (Santos, 2019). The pandemic has disrupted the informal economy including the rental market – peer-to-peer rental market. The world economy is progressing slowly due to the pandemic and there are drastic changes in the business (Ince, 2017). The outbreak also resulted in job losses, and the unicorns had to lay off their employees on a large scale. With the sharing economy, companies were able to introduce the gig economy concept but due to the pandemic, the sustenance of this huge workforce was not possible. India saw a major hit in the automobile industry in the year 2019 and it was further aggravated during the pandemic season (Santos, 2019).

In this paper, we mainly focus on the definition of sharing economy and study its progress in India. This aspect is covered in the Introduction section and the initial sections of Literature Review. Then we will try to understand how the pandemic has affected the economy on the whole, and what the future prospects are, by comparing the Spanish Flu pandemic, which happened 100 years back, with the recent COVID-19 pandemic. The secondary research also covers the regulations formulated on sharing economy by the government. We would then elaborate on how the sharing economy has been affected by this pandemic and give a brief description of how the economy was back in action during both the Spanish Flu pandemic and post the COVID-19 pandemic. The study mainly focuses on the comparative behaviour of the consumers' minds in both post- and pre-pandemic situations. These aspects are covered in the Research Methodology and Findings and Discussion sections. We will then analyse the responses of the individual through data collection via surveys conducted as part of the research to understand both customer and service provider segments of this business model. Finally, in the Discussion and Findings section, we arrive at a consensus on the factors to be checked to sustain this economic model – sharing economy – in post-pandemic times, and offer suggestions to sustain the economic model in case of future pandemic crises. The sharing economy is a novel business model that fits the value chain effectively.

2. LITERATURE REVIEW

2.1. Sharing Economy and Its Growth

The sharing economy is defined in multiple ways and has different terminologies. Sharing economy was known and has given birth to new economic models in the industrial market – collaborative consumption, gig economy, peer-to-peer economy and access-based consumption (Belk R., 2010). The idea of sharing economy is to provide a socio-economic ecosystem where there is no permanent ownership of the goods and products. It involves collaborating and temporary ownership by sharing products and services within societies and communities. This leads to the definition of the sharing economy concept, as per AMA definition (Hamari, 2016) – a scalable socio-economic system that employs technology-enabled platforms that provide users with temporary access to tangible and intangible resources that can be crowdsourced.

The sharing economy, with the advent of technological boom, has changed the mode of travel, choice of clothing and choice of stay (Kaushal, 2018). The sharing economy has challenged the conventional methods of marketing but it has instilled a new direction and future to the business model, with many companies leveraging the technological advancement by building their businesses on this kind of business model like Uber, Airbnb, Zolo, Ola and so on (Belk R., 2014).

Uber, a ride-sharing business, is an example of sharing economy business model – it leverages the collaborative consumption method (Botsman, 2015). For example, for using a power drill for 15 minutes, it would be better to rent the drill rather than to buy the entire set (Hamari, 2016). This collaborative consumption method leads to low costs and benefits compared to traditional taxi service providers. Similarly, in housing and lodging, Airbnb is a leading platform worldwide. In India, there are other platforms like Zolo or Nestaway community platform, which are competing for the lodging and homestays market (Galbreth, 2012). These community platforms provide an online marketplace to house various owners who would like to share their assets and services with the general public for monetary benefit. This leads to increasing the value of the unutilised and unused goods, extending the offer to benefit the general public (Galbreth, 2012). Airbnb has seen a progressive growth in the lodging and homestay sector in different parts across the world.

The two major pillars of the sharing economy are trust and reputation (Hamari, 2016). These two factors are time bound factors which need to be imbibed in both the consumer and service provider's mind. With more user interactions and product and service reviews, trust and reputation are built for the community platform and growth multiplication is seen. The public opinion has made this process of collaborative consumption more interactive and less risky to use. (KAUSHAL, 2018) This is also supported by proper communication channels, easier and smooth exchanges, interactive mediums and platforms, and clear cognisance of the process.

Researchers indicate that subsidiary business domains like Ola Share and UberPool are proper examples of a sharing economy (Bardhi, 2012). The ride-sharing application feature allows us to share the service with other customers. These business models are also seen in homestay lodging and workplaces. Workplaces include WeWork, which provides a sharing working environment for different business ventures (Belk R., 2007).

The customers are highly dependent on the customer reviews and how the service is rated during the course of time (Chen, 2019). In the case of lodging and homestays like Airbnb and Oyo, the prospective customers request for photos and check out the previous customer reviews (Botsman,

2015). The ratings also matter for the purchase decision. On the service provider side, we can find that hosts also do an equal weightage analysis of their customers. Since the host is lending their property or personal belongings to strangers, they would do a complete background check on them (Ince, 2017). As mentioned earlier, this kind of collaborative consumption works on two major factors – trust and reputation.

The sharing economy helps the micro-entrepreneurs to leverage this business model to add to their profits by leveraging upon collaborative consumption (Galbreth, 2012). This entire business model helps in reducing their overall investment capital and gives a better return on investment capital (ROIC) (Phipps, 2013). Apart from the financial and business growth, the sharing economy also provides a sustainability factor both environmentally and economically.

2.2. Spanish Flu and Economic Revival

A major pandemic outbreak happened during the First World War, 1918–1920. The pandemic had disrupted the economy, mainly the United States, in a big way. The pandemic took close to 50 million lives across the globe (Karlsson, 2014). The spread even reached India in the form known as Bombay Influenza, which took lives close to 14 million (Elizabeth Brainerd, 2003). As the economist John Maynard Keynes suggested that technology was central to ending depressions, the Spanish Flu was fought with technological advancements that happened during that period, both in healthcare and industrial changes. On analysis, we can find that a revival from a similar pandemic situation is dependent on technological advancement (Elizabeth Brainerd, 2003).

From these earlier pandemic crises, we can have multiple learnings. One is to render a macroeconomic model for each of global, regional or national economies. Second is having properly channelised health science models, and leveraging technological advancement and using it to develop business models and for economic recovery. A proper advancement of the entire business ecosystem is possible to revamp sharing business model. Many researchers came up with studies which are changing the face of various means of business like in the field of marketing, advertising, and so on.

2.3. COVID-19 Pandemic

The novel Coronavirus, commonly known as COVID-19, started affecting parts of the world from December 2019. This virus is a respiratory contraction disease which has an incubation period from two to fourteen days, typically five days from the day of the infection (Chen, 2019). The infection was seen initially in Wuhan District, China. It spread across the globe in a short span of five months. The business sector was heavily impacted due to this pandemic (Chen, 2019). Consumers started withdrawing from assorted retail shops to buy miscellaneous goods, and changed to purchasing only essential goods. Consumers went with trust and similarity factors in deciding the purchase of goods. This resulted in companies able to account for only 16 per cent of the industry growth in 2015–2018, which increased to 55 per cent in the first quarter of 2020. In India, companies' plan for discretionary spending – government spending an implemented amount through an appropriate bill – was effected upon the survey of the consumers. The ticket size matters now, as consumers are delaying the purchase of big items like real estate, vehicle, jewellery, and focusing only on the essential items. To regain this business, renovation and strategising are required to cater to the interests of the consumers to these products.

As per reports from McKinsey, customers have seen an increase in consideration of trusted brands in purchase decisions during this pandemic situation. The conversion rates for these brands are close to 60 to 70 per cent compared to other low-end brands (Belk R., 2007). Thus, COVID-19 has affected every industry sector, and companies need to revamp their strategies to stay relevant among the consumers (Series, 2015). The major sectors affected are small and medium scale industries. Digital channels are becoming more important and will continue to empower the market during and post-pandemic times (Belk R., 2007). Making greater use of these digital technologies can improve the focus and work on reducing the margin compressions.

2.4. Sharing Economy Regulatory Concern

The sharing economy is a novel idea that had a great pull from the target audience and got a good reception from the Indian market. It was able to succeed in transport, co-working and hospitality (Kaushal, 2018). The technology disruption made this breakthrough, but it came with new regulatory norms and inclusive charges were added to the business model.

Considering the hospitality business or home-rental business, a commission is charged from both the owner and customer, which is categorised as internet service handling or processing fees (Phipps, 2013). Even though the owner is charged, it provides subsidies to the customer by offering various discounts and offers. This attracts customers to the services provided by Airbnb/Oyo. The services provided are generally by leasing out an owner's private property under the housing rental segment (Botsman, 2015). These kinds of services are predominately available across the general metro cities and tourist spots.

In the transport or mobility rental services, the community-based platforms like Uber or Ola don't own any vehicles and don't employ drivers. There are individual applications for both the drivers and customers (Kristofer Erickson, 2016). The sharing economy in the mobility sector is predominant for carpooling services like UberPool or Ola Share. These services help the customers to share their ride with others who intend to take the same route or destination. The service would be relatively cheaper compared to hiring vehicles. Unlike the hospitality sector, the mobility sector caters to real-time service initiatives and platforms (Series, 2015).

The collaborative consumption comes from multiple regulatory concerns assigned by the government decision (Botsman, 2015). These service providers should be registered on the government e-marketplace (GeM) to provide these services (Kristofer Erickson, 2016). For example, for the mobility sector the government has amended the transportation bill to supervise these community-based mobile platforms. These laws will help in monitoring and regulating the smooth function of these aggregators and people who have collaborated with them (Belk, 2010). This is ensured by a channelised verification process for drivers and enabling GPS platforms in all vehicles, ensuring the safe and economic operation of the vehicle. The same goes for the hospitality sector, improving upon the trustworthiness and providing proper information of the user (Belk, 2010). These community platforms request a detailed description of the user so that they can judge the consumer's behaviour and make a sound decision on leasing the space (Belk, 2014). Another factor is that the personal details of the owner are provided at the owner's discretion only and are not available on the site. This caters to the fact that privacy is of primary importance. There are also governmental laws to monitor unauthorised homestays or lodging services (Kristofer Erickson, 2016). The rules towards them are very stringent to prevent malicious practices and provide a safe platform for both consumers and service providers (Belk, 2014).

These service providers are constantly watched by the Competition Commission of India to monitor discriminatory pricing by providing discounts and other offers (Kristofer Erickson, 2016). The fare changes have a lack of transparency in both these services providers due to constant price surcharges.

3. RESEARCH METHODOLOGY

We need to identify the prospects of the business and companies, mainly in the lodging and homestays and mobility sector, to revive them during these pandemic times. For understanding the consumer behaviour, data has been collected to understand the behaviour of the sample towards the sharing economy business pre- and post-pandemic. Interviews were also taken of a few hosts who provide services through these applications. The interviews help in identifying the apprehensions and dilemmas in the services providers' minds when they offer their services to strangers.

For the analysis, 100 samples were considered and we have categorised the data into different segments to identify the properly segmented population to focus on. The segmentation has been done both demographically and geographically. This segmentation will help in understanding the response people show in each of the four zones. Another important aspect is to understand the changing mindset of the customers and their ideologies in availing of the services. The research methodology would analyse the post- and pre-pandemic situation parameters.

In the survey, we included two major sectors – lodging and homestay, and mobility sector, considering Airbnb, OYO and Zolo in the lodging and homestay, and Uber, Ola and Meru in the mobility sector. The survey ensured the analysis of these platforms as they are predominant in the Indian market. Through secondary research, we could understand the behaviour of the sharing economy in these two main platforms, their challenges, regulations and prospects. The primary research and interviews helped to understand the behaviour and factors which led to change in their consumer decision during the post-pandemic times.

Apart from the secondary and primary research, conversations with the participants of sharing economy were carried forward, which helped in analysing their perspective in the future of this collaborative consumption. These conversations will also help these community-based platforms to explore their options. Understanding the responses of the users towards the services offered by the owners in this peer-to-peer economy will help in understanding how the consumer reacted during the COVID-19 times. Airbnb provided internal data that supports this information and provides information about the host too.

The analysis involved comparing two different scenarios to help in understanding the behaviour of the consumer and their response to the post- and pre-pandemic situations. This process helps to arrive at the steps required for reviving this peer-to-peer economy. The analysis also includes social media listing, which will help in curating the content and providing the necessary fine-tuning required to make use of keywords in alignment with above industry.

The paper describes how to monitor and follow the guidelines which would be necessary for the smooth transition during these pandemic times. We need to closely update the government guidelines. A continuity is necessary for this situation, as a lot of changes are expected to happen in course of time in technology as well as regulatory reforms.

4. DATA ANALYSIS AND FINDINGS

For the research paper, we floated a questionnaire to people with different demographics and geographic locations across India. The infographics [Figure 1] describes the age group as well as the residential region count for the sample of 110 candidates. This indicates the proportion of people in each geographical location. The demographic analysis would help in understanding the behaviour of the sample population. This would also ensure the decision journey and segregating across different age groups. The sample was considered targeting most of the younger crowd, as India is considered as a young country having an average age of twenty-nine years. As per the data collected, the estimated average age is close to thirty-one years.

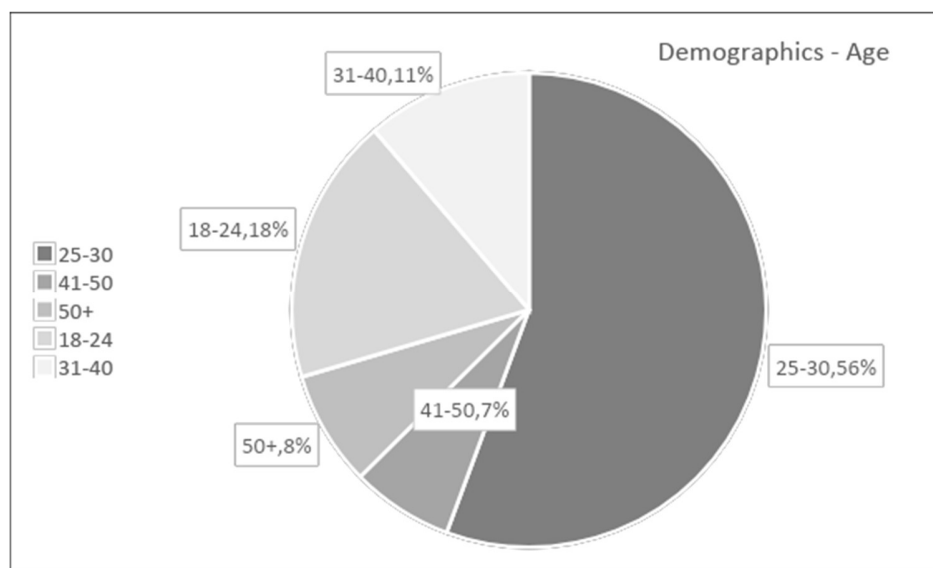


Figure1:

Demographics–age split

For a detailed analysis of the people's choice of usage of these collaborative consumption services pre- and post-pandemic situations, the infographic [Figure 2] provides information on the percentage change of the users in availing these services. Parameters like discount/offers, review, cost, cleanliness and government guidelines were defined. A comparison of these parameters with the two scenarios was analysed.

Parameters	Discounts/Offers	Reviews	Cheaper Rates	Security	Cleanliness	Govt. Guidelines
Mobility or Ride-Sharing Sector						
Before Pandemic	69	46	70	16	28	5
After Pandemic	24	33	37	24	71	61
Hospitality: Lodging and Homestays						
Before Pandemic	59	62	63	20	56	10
After Pandemic	31	54	31	36	73	60

Table 1: Parameter comparison pre- and post-pandemic

From the above tables, we can see a shift in the parameters which people use to weigh the services. Before the pandemic, there was a major demand for discount offerings and cheaper rates. People used these services availing coupon codes or other discount promo codes. As the pandemic hit the country, people started to become more careful. We could see a rise in other parameters like cleanliness and government guidelines. A similar change of events is seen in the hospitality online community sector. There was an increase in people moving to the cleanliness parameter and focusing less on price factors. This change is caused by pandemic aftermath. Through customer feedback and surveys, the frequency of usage of these services was also considered, which is shown in a table 2. This analysis will help in understanding the frequency at which the consumer would avail the services. The frequency is categorised into annually, monthly, weekly and more than once in a week. Regarding the ride-sharing applications, we can see that the frequency has reduced, with more people opting for the services monthly post-pandemic. A huge change in the weekly users can also be seen from the tabular column below, indicating lesser commuting through shared services.

Frequency	Mobility services		Lodging and Homestay	
Time Frame	Before Pandemic	After Pandemic	Before Pandemic	After Pandemic
Annually	3	24	61	67
Monthly	30	45	17	15
Weekly	30	13	3	1
More than once in week	20	1	2	0

Table 2. Frequency of usage pre- and post-pandemic

This would show how apprehensive people are about the effect of the pandemic. The infographics also provide a detailed analysis of the age group of the people who are reducing the frequency of the usage of these services. The change was evidently due to the global pandemic. The pandemic has resulted in significant changes in both frequency and parameters. Consumers are prioritising health and pandemic preventive measures rather than monetary offers. As consumers reduce the frequency of usage or stop using these services, we need to revamp the awareness as well as publish and advertise the precautions and preventive measures that are being initiated. These two analyses are explained in detail for lodging and homestay, and mobility services.

The new features which people are looking into include improved security, following the government guidelines and improved safety measures. Each of the domains has a different response. In the case of lodging and homestay, people are shifting from monthly to annual usage due to apprehensions regarding the quality of service of the community-based platforms.

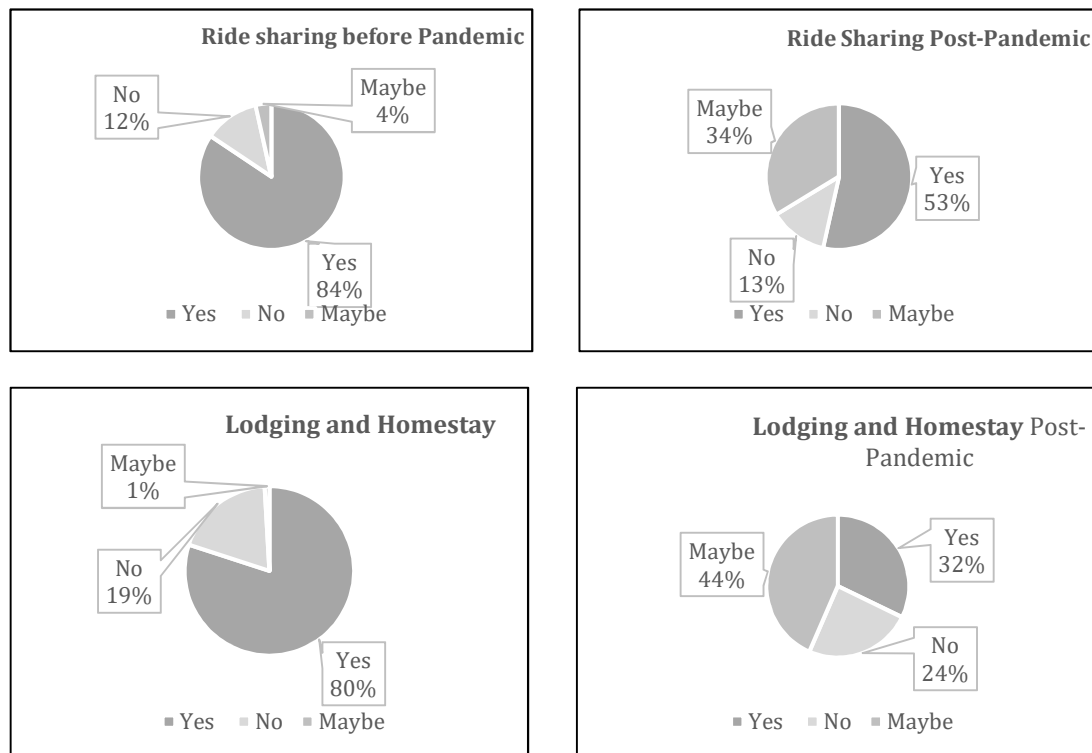


Figure 2. Comparison between pre- and post-pandemic use of these services

Some consumers who were interested in using the services before pandemic have changed their decision post-pandemic. The number of naysayers has increased by 27 per cent and within the sample, people who are interested have decreased by 60 percent. Close to 50 per cent of the sample population is undecided.

In the sample of 115, we have 88 people, which more than 75 per cent, who are likely to use the shared economy services post-pandemic if their needs are taken care of and necessary safety measures are taken. We can see from the Figure 2 that a few consumers are apprehensive about continuing to use the services from these online community platforms. Regarding the users who will opt for the ride-sharing services, we can see a shift from 84 per cent to 54 per cent. There is a significant change from 4 per cent to 32 per cent among consumers who have reservations in using these services. This crowd is looking forward to the changes that will be incorporated by these community platforms. In the case of the hospitality and lodging sharing service sector, we could see an increase in consumers backing out from services and having reservations in using the services. People backing out have increased from 19 per cent to 24 per cent, and 80 per cent of interested consumers have changed to 32 per cent. The remaining 44 per cent of the surveyed consumers have reservations in using these services.

Analysing consumer behaviour, consumers are now more bothered about security, cleanliness and following the government guidelines. Consumers who were earlier not much concerned about the government guidelines are looking into this factor carefully. They are willing to compromise on the cheaper rates and discount offers for a better, safe and secure environment. As per the collected survey, there seems to be close to 50 per cent decrease in the crowd looking at reviews and offers.

Considering the mobility or transport sector of the sharing economy, we are having a lesser shift of the population from the regular use of these community-based services. We notice a decline close to 30 per cent. The sample tends to be uncertain regarding the final decision. We see that the frequency is different in the two scenarios. A significant change can be observed from the regular usage to monthly or annual usage. A sharp decline is estimated in regular usage by 90 per cent. Simultaneously, there is a steep growth in the annual users for these shared services. The factors or parameters should also be closely monitored to cater to the needs of the consumers. Similar to the hospitality sector, we notice that cleanliness and government guidelines are of prime importance post-pandemic. Before the pandemic, consumers were keener to avail of discount offers or cheaper fares. The reviews are also considered an important parameter for analysis. Very few changes are seen for reviews and security.

On further analysis, we can see that in the lodging and homestays people are accustomed to services provided by Airbnb and Oyo. In the mobility or transport sector, most of the population is inclined to Uber or Ola. The other services providers are mainly available in metro cities compared to tier-2 cities. Uber and Ola are available in multiple cities, which indicates greater brand resonance. Same for the Airbnb and Oyo lodging and homestays. The larger the availability of these brands in cities, the more customers they can attract.

On-call conversations with a few hosts gave insights on how they will accommodate their services in post-pandemic situations. All the hosts were interested in getting back to the business and providing services to customers. Few owners were getting bookings during the lockdown period, bookings were mainly from residents from the same location requesting a place to stay during the quarantine period. The owners were looking to improve upon the services being provided by giving more importance to the sanitisation process and cleanliness so that it would be beneficial to serve their future customers. Owners or drivers were also expecting new features to be introduced by the government to have a check on the customers and also provide them with necessary safeguards.

5. DISCUSSION

With the above findings, we can see that there is a scope for the sharing economy to progress in the post-pandemic situation. The technological advancements will provide support in achieving this. The companies need to revamp their strategies and bring in a few changes to provide a safe environment to customers. A lot of changes and new guidelines are being introduced by the government, which need to be incorporated into the system. The segmentation analysis by demographic and geographical regions indicates that the younger population is more likely to continue using the services, with more attention towards cleanliness and other precautionary factors.

In the analysis of pre- and post-pandemic situations, we do not observe a significant change in consumer mindset. Earlier, people were more interested in availing free and discounted services. But now they are more concerned about the safety and preventive measures adopted. Many new campaigns and movements have been triggered, like 'Break the Chain', to support these factors. Going one step further, we can see that in the mobility and transport sector the government has brought in stringent guidelines regarding the number of passengers allowed in different types of vehicles. The failure to accommodate these rules will result in a penalty. This benefits this sector, as more people would be forced to take up bigger vehicles to accommodate more people. Earlier,

three people were allowed in a micro or mini sized vehicle. But with the updated guidelines, there is a shift for people to use the prime or XL vehicle. Shared vehicles or cabs should be monitored regularly and sanitised. Temperature checks should be made mandatory to avail of the services. Cab seats should be wrapped with plastic covers, which should be sanitised regularly. A frequent change of the plastic sheet is also advisable but sanitising is the better option. Sanitisers should be made available in the vehicles. The sanitisers should not be exposed to the sun and should be kept safely to prevent any reaction from the heat. Cash transactions should be discouraged and online payment methods should be promoted. Passengers should be responsible to board and debark their luggage when using these services. Proper screening process should be available for every vehicle to ensure they are following all the necessary guidelines. Along with the journey review, a cleanliness rating should also be made available along with necessary information on the precautionary actions taken by the vehicle owner. Proper instructions and guidelines should be provided in the rear seat for customers to read, understand and comply.

With the advent of the sharing economy concept, multiple community-based platforms were started. These platforms may cease to exist if they are not able to compete in the market. The right balance in providing the right facilities in alignment with the pandemic needs to be combined with satisfying the consumers with discounts and offers. Even though the scope available in this business has triggered motivation to new ventures, the pandemic times would see a slight decline in the same.

We could see a significant change in consumer behaviour towards availing its services of lodging and homestay. Very few people will be availing the services post-pandemic compared to before the pandemic, the main reason being the shift from commuting to office to working from home. We can also see a steady decline in the tourism industry during the pandemic times. This would continue for some time even after the pandemic situation is contained. People who look forward to using these services expect to have better sanitisation and alignment with government regulations. Proper training and guidelines need to be provided to the housekeeping staff to provide foolproof and precautionary services to the customers. These community-based platforms should focus on advertising their brand and broadcasting their new regulations, to change the mindset of their customers. We can also see that most people are apprehensive of these share platforms. So, to support them, the companies should be willing to provide more detailed information on their supporting services like temperature checks, sanitisation, safety measures and following the government protocol. The owners should also be provided with sufficient information on the people who will be availing of their services. They should be given the specifics on the people who are going to use their services, like their medical condition, the geographical location from where they come, a medical certificate and so on. Making the system more transparent would help both the hosts as well as the customers. The data also suggested that people are willing to spend more to avail of better services during these pandemic times. A detailed protocol should be mentioned and available so that people can adhere to it. Customers staying for a longer duration should be provided with necessary check-ups and should be monitored regularly.

The pandemic has affected lives in a huge way and necessary steps need to be taken to ensure the safety of the individuals. Finally, the peer-to-peer economy should be more focused on ensuring safer and cleaner options of supporting their customers as well as owners to have safe growth in their business.

LIMITATIONS

This study is confined to the Indian scenario, and within that, only to metros and tier-2 cities. It does not cover the entire country's population. The views and ideas are of the younger age group. The researchers do not look into the various other factors which are supported by the sharing economy like the gig economy, employment force and so on. These sectors will have a boom, provided the sharing economy can sustain this pandemic crisis. The study focused more on transport or mobility sector like Uber and Ola, and the hospitality sector like Airbnb and Oyo. Detailed analysis of co-working spaces and future e-commerce platforms can also be considered on similar lines. This paper's scope is limited to understanding consumer behaviour changes during the pre- and post-pandemic crises. The research is also limited in providing the suggestions for increasing the customer interactions.

6. CONCLUSION

With this pandemic crisis, history has seen a transformation in the economy. History points out that during crises situations like Spanish Flu, World Wars or the great depression, the economy recoups and regains its pace with new industrial and technological advancements. We can expect a similar transformation with COVID-19 too, as we have seen the work models changing into working from home. The work from home concept is advancing to living at work. On a similar note, the sharing economy would also adapt to this change by incorporating some new changes and bringing out features that are in alignment with customer needs and demands as suggested earlier.

From the analysis, it is inferred that people are highly likely to continue using the ride-sharing options with precautionary additions. In the case of the hospitality sector, a major change is required, as the number of people opting for these services is on the decline. Since the tourism and business sector has been affected, this has indirectly impacted the hospitality sector's business. With the advent of technology, connecting people across the world has reduced the necessity of travel and stay. Both the sectors – hospitality and ride-sharing – should focus more on the preventive and precautionary steps to bring in safety in services that they are providing. Implementing and promoting the changes is the need of the hour. As we see from the data, many customers are having reservations to use the services as they are not aware of the safety measures.

The technological advancement would also help in opening new areas in the sharing economy rather than restricting to hospitality, ride-sharing or co-work spaces (Bardhi, 2012). The shared economy can be expanded to fun-related activities by providing sports facilities, gaming arenas and equipment for rent which can increase the fun and motivate people to meet and collaborate with people across the community.

Sharing economy or collaborative consumption should also focus more on ecological and environmental factors to attract more conscious consumers. The key factors which drive this business model are trust and accountability. The key industry players can focus on providing a unique strategy as these industries have the first-mover advantage. These community-based platforms can revamp their business structure to have a competitive advantage. This would increase their scope either on being a cost leader or providing differentiation. Many small players will not be able to survive this recession and capturing the operational effectiveness would be difficult. The established companies in the Indian market, like Airbnb and Oyo in the hospitality sector and Uber and Ola in ride-sharing services, could dictate the market. This phase can also lead

to a lot of mergers and acquisitions which would support their business model. Before the pandemic, we saw an important acquisition between Zomato and Uber Eats. Similar collaboration is expected after the pandemic crises, which would support the industry and help to sustain the economy.

Thus, we could see the positive side of the sharing economy in post-pandemic times and how it has affected the service providers and platforms. The important parameters of trust and accountability would be measured in the deeper sense after the pandemic. A complete restructuring of the business model would be required to improve on the situation and attract conscious consumers. The research could further investigate the co-work environment and possible future scope of the community-based platform which can venture into sharing economy ecosystem. With sufficient support from the Indian government and various regulatory bodies, the sharing economy could be shaped into a promising new model.

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